

Number: **200802016**
Release Date: 1/11/2008
Index Number: 355.00-00

Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact: _____, ID No. _____
Telephone Number: _____

Refer Reply To:
CC:CORP:B06
PLR-133386-07
Date:
October 09, 2007

LEGEND:

Sub 28 =

Sub 29 =

Dear _____ :

This letter responds to your letters dated July 18, 2007 and October 8, 2007 requesting that we supplement our letter rulings dated July 20, 2005 (PLR-119117-05), February 27, 2006 (PLR-145225-05), May 12, 2006 (PLR-124030-06), July 21, 2006 (PLR-128822-06), and October 19, 2006 (PLR-147197-06) (together, the “Prior Rulings”). The information submitted for consideration is summarized below. Capitalized terms not defined in this letter ruling have the meanings assigned to them in the Prior Rulings.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer in connection with this letter and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

Supplemental Facts

The Distribution and certain related transactions were the subject of the Prior Rulings. The direct wholly owned subsidiaries of Controlled include (i) Sub 1, Sub 6, Sub 10, Sub 13 and Sub 17, each of which is directly engaged in the active conduct of Business C, and (ii) Sub 22 and Sub 24, both of which are directly engaged in the active conduct of businesses other than Business C. The indirect wholly-owned subsidiaries of Controlled include Sub 28 (a wholly owned subsidiary of Sub 22) and Sub 29 (a wholly-owned subsidiary of Sub 24), both of which are directly engaged in the active conduct of businesses other than Business C.

Controlled (i) will liquidate or cause to be liquidated, in transactions intended to qualify under § 332, one or more of Sub 1, Sub 6, Sub 10, Sub 13, and Sub 17 and (ii) may liquidate or cause to be liquidated, in transactions intended to qualify under § 332, one or more of Sub 22, Sub 24, Sub 28 and Sub 29 ((i) and (ii) together, the “Controlled Restructuring”). The liquidations will be effected through conversions of such corporations into limited liability companies (which are disregarded entities for federal income tax purposes), mergers or liquidations, all under applicable state law. Following the Controlled Restructuring, Controlled will, for federal income tax purposes, be directly engaged in the active conduct of Business C.

Representations

Following the Controlled Restructuring, Controlled will directly continue the active conduct of Business C, independently and with its separate employees (and employees of members of the Controlled affiliated group).

Rulings

Taking into account solely the information and representations set forth herein, we rule as follows:

- (1) The Controlled Restructuring will not affect any of the rulings contained in the Prior Rulings and all such rulings will remain in full force and effect.
- (2) Section 355(b)(3)(D) does not apply to the Controlled Restructuring.

Caveats

No opinion is expressed about the tax treatment of the Controlled Restructuring or the Proposed Transactions under other provisions of the Code or regulations or the tax treatment of any condition existing at the time of, or effects resulting from, the Controlled Restructuring or the Proposed Transactions that are not specifically covered by the above ruling and the rulings contained in our Prior Rulings.

Procedural Statements

This ruling letter is directed only to the taxpayers who requested it and applies only to the facts of the Controlled Restructuring and the Proposed Transactions. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this ruling letter must be attached to the federal income tax return of each taxpayer involved in the Proposed Transactions for the taxable year in which the Proposed Transactions are completed. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of this ruling letter.

In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,
Associate Chief Counsel (Corporate)

By: _____
Stephen P. Fattman
Special Counsel to the Associate
Chief Counsel (Corporate)